

# **Accounting for Transfer of Authority with Obligations**

**Presentation to the  
Standard General Ledger Board**

**February 13, 1997**

## TRANSFER OF AUTHORITY WITH UNDELIVERED ORDERS

In this scenario, funds are transferred from one Treasury symbol to another Treasury symbol. Such transfers are usually authorized by specific legislation. Both the transferring appropriation and the receiving appropriation are assumed to be annual, multi year, or no year. **The main intent is to illustrate a transfer of appropriation authority in which the authority has been obligated by the transferring appropriation.** The role of the receiving appropriation is to assume the undelivered orders along with the funding to liquidate the orders.

Transactions are not provided beyond the transfer year. For illustrative purposes, the transfer is assumed to occur subsequent to the first year of the appropriation. Also, for annual or multi year appropriations, the transfer is assumed to occur prior to the cancellation of the appropriation. Also for illustrative purposes, all unexpended appropriation authority has been obligated in the amount of \$500.

The transferring agency reports the transfer activity on the SF-133, and at the end of the fiscal year reports applicable data on the FMS-2108 and FACTS, and prepares audited financial statements. The transferring appropriation ceases budgetary and proprietary responsibility once the transfer of funds has been accomplished. However, the transferring agency will continue to report an SF-133 through the end of the fiscal year in which the transfer occurred unless circumstances or instructions indicate otherwise.

**PROPOSED NEW ACCOUNTS**

**Account Title:** Undelivered Orders, Transferred - Unpaid  
**Account Number:** 4831  
**Normal Balance:** Either  
**Type of Account:** Posting

**Definition:** The amount of goods and services ordered and obligated in one appropriation and transferred to another, which have not been actively or constructively received and for which amounts have not been prepaid or advanced at the time of transfer.

**Account Title:** Undelivered Orders, Transferred - Paid  
**Account Number:** 4832  
**Normal Balance:** Either  
**Type of Account:** Posting

**Definition:** The amount of goods and services ordered and obligated in one appropriation and transferred to another, which have not been actively or constructively received but have been prepaid or advanced at the time of transfer.

## Undelivered Orders Transferred - Unpaid

For illustration purposes, the receiving appropriation has no other source of funding besides the transfer of the authority already obligated. The receiving agency reports the transfer activity on the SF-133 as well as subsequent activity and at the end of the fiscal year reports applicable data on the FMS-2108 and FACTS, and prepares audited financial statements with applicable data.

### 1. The following is the trial balance of the transferring and receiving appropriations prior to transfer of authority.

Transferring Agency			Receiving Agency		
1010	500		1010	0	
3100		500	3100		0
4201	500		4201	0	
4801		500	4801		0
<b>4831</b>	<b>0</b>		<b>4831</b>		<b>0</b>

### 2. To record the actual transfer of \$500 in authority and obligations from a prior unexpired budget year. The 1151 is prepared and processed.

#### Transferring Appropriation

##### BUDGETARY

<b>4831</b>	<b>Undelivered Orders Transferred - Unpaid</b>	<b>500</b>	
4201	Total Actual Resources		500

##### PROPRIETARY

3100	Unexpended Appropriations*	500	
1010	Fund Balance With Treasury		500

**\*The account titles have been changed to conform with those proposed for implementing the revenue standard.**

## Receiving Appropriation

### BUDGETARY

4201	Total Actual Resources	500	
4831	Undelivered Orders Transferred - Unpaid		500

### PROPRIETARY

1010	Fund Balance With Treasury	500	
3100	Unexpended Appropriations*		500

**3. The receiving appropriation liquidates \$100 of the Undelivered Orders that were transferred.**

## Transferring Appropriation

No Entry

## Receiving Appropriation

### BUDGETARY

4801	Undelivered Orders - Unpaid	100	
4902	Expended Authority - Paid		100

### PROPRIETARY

6100	Operating/Program Expense	100	
1010	Fund Balance With Treasury	100	
3100	Unexpended Appropriations*	100	
5700	Appropriations Used*		100

**\*The account titles have been changed to conform with those proposed for implementing the revenue standard.**

**4. No other activity occurred during the fiscal year. A trial balance prior to closing is as follows:**

Transferring Agency			Receiving Agency		
1010	0		1010	400	
3100		0	3100		400
5700			5700		100
6100			6100	100	
4201	0		4201	500	
4801		500	4801	100	0
<b>4831</b>	<b>500</b>		<b>4831</b>		<b>500</b>
4902			4902		100

**5. SF 133****Transferring****Receiving****Resources**

2. Unobligated Bal, frwd	4201B-4801B	500-500
7. Total Budget Resources	CALC	0

**Status**

8A. Obligations Incurred	4801E-B 4902E	500-500	-100 100
11. Total Status	CALC	0	0

**Relation of Obligations to Outlays**

12.Obligated Bal net 10/1	4801B	500	
13.Obligated bal trsfrd	<b>4831E</b>	-500	500
14C.Obligated net, EOP	4801E <b>4831E</b>	500 -500	-100 500
15. Outlays	4902E	0	100

**Calculation for line 15:**

+8	0	0
-3a,b,d	NA	NA
-4a	NA	NA
+12	500	NA
+/-13****	-500	500
-(-14a	NA	NA
-14b	NA	NA
+14c****	0	-(400)
+14d)	NA	NA
Outlays	0	100

**\*\*\*\*Change Xwalk to include**

13.	<b>4831E</b>	-500	500
14c.	<b>4831E</b>	-500	500

**6. TFS 2108**

		<b><u>Transferring</u></b>	<b><u>Receiving</u></b>
5. Postclosing unexpend bal.	1010	0	400
9. Undelivered Orders	4801 <b>4831</b>	500 -500	-100 500
11. Unobligated bal. should =		0	0
+col 5		0	400
+col 6		NA	NA
+col 7		NA	NA
+col 8		NA	NA
-col 9		0	400
-col 10		NA	NA
=col 11		0	0



**7. Closing entries are as follows:****Transferring Agency****To close undelivered orders transferred.****BUDGETARY**

4801	Undelivered Orders - Unpaid	500	
<b>4831</b>	<b>Undelivered Orders Transferred - Unpaid</b>		<b>500</b>

**PROPRIETARY**

None

**Receiving Agency****BUDGETARY****(a) To close undelivered orders transferred.**

<b>4831</b>	<b>Undelivered Orders Transferred - Unpaid</b>	<b>500</b>	
4801	Undelivered Orders - Unpaid	500	

**(b) To close Expended Appropriations.**

4902	Expended Authority - Paid	100	
4201	Total Actual Resources		100

**PROPRIETARY****(c) To close appropriations used and expenses.**

5700	Appropriations Used*	100	
3310	Cumulative Results of Operations		100
3310	Cumulative Results of Operations	100	
6100	Operating/Program Expenses	100	

**\*The account titles have been changed to conform with those proposed for implementing the revenue standard.**

**8. A trial balance subsequent to closing is as follows:**

<b>Transferring Agency</b>			<b>Receiving Agency</b>		
1010	0		1010	400	
3100		0	3100		400
5700			5700		0
6100			6100	0	
4201	0		4201	400	
4801		0	4801		400
<b>4831</b>	0		<b>4831</b>		0
4902			4902		0

## Undelivered Orders Transferred - Paid

1. The following is the trial balance of the transferring and receiving appropriations prior to transfer of authority.

Transferring Agency			Receiving Agency		
1410	500		1410	0	
3100		500	3100		0
4201	500		4201	0	
4802		500	4802		0
4832	0		4832		0

2. To record the actual transfer of \$500 in authority and obligations from a prior unexpired budget year.

### Transferring Appropriation

#### BUDGETARY

<b>4832</b>	<b>Undelivered Orders Transferred - Paid</b>	<b>500</b>	
4201	Total Actual Resources		500

#### PROPRIETARY

3100	Unexpended Appropriations*	500	
1410	Advances to Others		500

\*The account titles have been changed to conform with those proposed for implementing the revenue standard.

## Receiving Appropriation

### BUDGETARY

4201	Total Actual Resources	500	
4832	Undelivered Orders Transferred - Paid		500

### PROPRIETARY

1410	Advances to Others	500	
3100	Unexpended Appropriations*	500	

**3. The receiving appropriation liquidates \$100 of the Undelivered Orders that were transferred.**

## Transferring Appropriation

No Entry

## Receiving Appropriation

### BUDGETARY

4802	Undelivered Orders - Paid	100	
4902	Expended Authority - Paid		100

### PROPRIETARY

6100	Operating/Program Expense	100	
1410	Advances to Others		100
3100	Unexpended Appropriations*	100	
5700	Appropriations Used*		100

**\*The account titles have been changed to conform with those proposed for implementing the revenue standard.**

**4. No other activity occurred during the fiscal year. A trial balance prior to closing is as follows:**

<b>Transferring Agency</b>			<b>Receiving Agency</b>		
1410	0		1410	400	
3100		0	3100		400
5700			5700		100
6100			6100	100	
4201	0		4201	500	
4802		500	4802	100	0
<b>4832</b>	<b>500</b>		<b>4832</b>		<b>500</b>
4902			4902		100

**SF 133 Undelivered Orders Transferred - Paid**

		<u><b>Transferring</b></u>	<u><b>Receiving</b></u>
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**Resources**

2.Unobligated Bal, frwd	4201B-4802B	500-500	
7. Total Budget Resources	CALC	0	

**Status**

8A. Obligations Incurred	4802E-B 4902E	500-500	-100 100
11. Total Status	CALC	0	0

**Relation of Obligations to Outlays**

12.Obligated Bal net 10/1	4801B 4901B
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13.Obligated bal trsfrd ( <b>Unpaid only</b> )	<b>4831</b>
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14C.Obligat net, EOP	4801E <b>4831E</b>
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15. Outlays	4802E-B 4902E	500-500	-100 100
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**Calculation for line 15:**

+8		0	0
-3a,b,d		NA	NA
-4a		NA	NA
+12		NA	NA
+/-13		NA	NA
-(-14a		NA	NA
-14b		NA	NA
+14c	NA		NA
+14d)		NA	NA
Outlays		0	0

**TFS 2108****4832 Undelivered Orders, Transferred - Paid**

		<b><u>Transferring</u></b>	<b><u>Receiving</u></b>
5.Postclosing unexpend bal.	1010	NA	NA
9.Undelivered Orders (Unpaid only)	4801 <b>4831</b>	NA NA	NA NA
11. Unobligated bal. should =		0	0
+col 5		NA	NA
+col 6		NA	NA
+col 7		NA	NA
+col 8		NA	NA
-col 9		NA	NA
-col 10		NA	NA
=col 11		0	0

**5. Closing entries are as follows:****Transferring Agency****To close undelivered orders transferred**BUDGETARY

4802	Undelivered Orders - Paid	500	
<b>4832</b>	<b>Undelivered Orders Transferred - Paid</b>		<b>500</b>

PROPRIETARY

None

**Receiving Agency**BUDGETARY**(a) To close undelivered orders transferred.**

<b>4832</b>	<b>Undelivered Orders Transferred - Paid</b>	<b>500</b>	
4802	Undelivered Orders - Paid		500

**(b) To close Expended Appropriations.**

4902	Expended Authority - Paid	100	
4201	Total Actual Resources		100

PROPRIETARY**(c) To close appropriations used and expenses.**

5700	Appropriations Used*	100	
3310	Cumulative Results of Operations		100
3310	Cumulative Results of Operations	100	
6100	Operating/Program Expenses	100	

**\*The account titles have been changed to conform with those proposed for implementing the revenue standard.**



**6. A trial balance subsequent to closing is as follows:**

<b>Transferring Agency</b>			<b>Receiving Agency</b>		
1410	0		1410	400	
3100		0	3100		400
5700			5700		0
6100			6100	0	
4201	0		4201	400	
4801		0	4802		400
<b>4832</b>	0		<b>4832</b>		0
4902			4902		0